



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
Monetary Stability Sector

CIRCULAR LETTER NO. CL-2015-069

- To : All Authorized Agent Banks (AABs) and AAB subsidiary/affiliate foreign exchange corporations (AAB-forex corps)**
- Subject : (a) Submission of "Application to Purchase Foreign Exchange" Form**
- (b) Retention period for supporting documents covering sale of foreign exchange (FX) for payables under intercompany netting arrangements**
- (c) Resident investments in offshore foreign currency denominated mutual funds and unit investment trust funds (UITFs)**

The following clarifications are hereby issued relative to the following:

1. On item (a): *For purchases of foreign exchange (FX) from AABs/AAB-forex corps for repatriation of capital and/or remittance of earnings accruing on BSP-registered foreign investments*

The foreign investor/client or his duly authorized representative may initially submit the duly accomplished Application Form to Purchase FX, as required under Annex A of the Manual of Regulations on Foreign Exchange Transactions (FX Manual), via facsimile transmission to the FX selling AAB/AAB-forex corp, provided that the FX selling institution shall: (a) ensure that the original copy of the application form is submitted to the FX selling institution within seven (7) calendar days from the sale of FX; and (b) retain such original document for record and audit purposes.

2. On item (b): *For supporting documents covering payables under open account intercompany netting arrangements (Appendix 6.1 of the FX Manual)*

As required under Item 2 of Appendix 6.1 of the FX Manual, a notarized undertaking must be executed by the net importer indicating, among others, that it will make available through the reporting AAB the supporting documents (e.g., shipping documents) upon request by the BSP. For this purpose, importer clients may retain such documents in their files for five (5) years from date of FX purchase except when a case for money laundering has been filed in court, for which the documents must be kept beyond the five (5)-year period until it is confirmed that the case has been finally resolved or terminated by the court.

3. On item (c): *For outward investments by residents to be funded with FX to be purchased from AABs/AAB-forex corps*

Investments by residents in offshore foreign currency-denominated mutual funds under Item b of Section 44.2 of the FX Manual includes offshore foreign currency-denominated funds that are being traded at an exchange (exchange traded funds).

For information and guidance.



DIWA C. GUINIGUNDO
Deputy Governor

5 November 2015